

# INFORMATION BULLETIN

## WORKFORCE INVESTMENT ACT

Number: WIAB05-79

Date: March 23, 2006  
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69:216:jw:9910

TO: WORKFORCE DEVELOPMENT COMMUNITY

SUBJECT: REVISED DESIGNATION OF AREAS OF SUBSTANTIAL  
UNEMPLOYMENT

The purpose of this bulletin is to bring to your attention significant changes pertaining to the Department of Labor Employment and Training Administration's (ETA) designation of areas of substantial unemployment (ASU) under the Workforce Investment Act (WIA). A full discussion is provided in Training and Employment Guidance Letter (TEGL) [20-05](#).

The ASU designations are based on the United States decennial census data and are used by the ETA in determining the allotment of WIA Title I Chapters 4 and 5 funds. Program Year (PY) 2006 was to be the first year to use the 2000 census data, but after analyzing the state ASU data based on those census data, it was found that a census data processing problem created misleading and erroneous results in the ASU calculations. As a result of that analysis, and in consideration of concerns raised by several states, the ETA is implementing long-and short-term solutions for addressing state and within-state ASU calculations.

For PY 2006, the ETA is instructing states to recalculate their state and with-in state ASUs using 1990 census data. Because of the delay created by the need to recalculate ASUs for 2006, the ETA will not be able to calculate the full state formula allotments normally issued at the beginning of the program year for the WIA adult and youth programs. To provide sufficient funding for those programs to continue into PY 2006 without disruption in program operations, the ETA will provide interim partial allotments based on the minimum amounts that states are guaranteed under the WIA formula minimum provisions. These provisions ensure that states receive a minimum amount equivalent to the higher of:

- 90 percent of their prior year allotment percentage applied to the PY 2006 total funds available for states, or, if higher,
- 0.25 percent of the PY 2006 total funds available for states.

For the adult program, appropriated funds are required to be issued in two portions, July 1 and October 1. Consequently, for this interim process, the partial allotment will be issued in two portions one from the July 1 funds and a larger portion from the

*EDD is an equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities. Special requests for services, aids, and/or special formats need to be made by calling (916) 654-8055 (Voice) or (916) 654-9820 (TTY).*

October 1 funds. As further information is available and the Department of Labor timelines are established for this work, we will keep you informed.

If you have any questions, please refer to TEGL 20-05 or contact your [Regional Advisor](#) at (916) 654-7799.

/S/ BOB HERMSMEIER  
Chief  
Workforce Investment Division